

schemes, namely, modernisation of the Shipyard and augmentation of capacity utilisation of Cochin Shipyard.

**WORLD BANK'S OBSERVATIONS  
ABOUT INDIAN ECONOMY**

1415. SHRI RABI RAY : Will the Minister of FINANCE be pleased to state :

(a) whether the attention of the Government has been drawn to the World Bank publication titled 'Global Economic Prospects and the Developing Countries, 1991' referred to in the news-items captioned "Will India be an important loser" appearing in the Indian Express dated July 20, 1991;

(b) if so, the main observations about India contained therein; and

(c) the reaction of the Union Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI RAM-ESHWAR THAKUR) (a) : Yes, Sir.

(b) The publication discusses international economic trends and projects alternative global scenarios which could prevail in the current decade. In the light of these projected scenarios, the report predicts widely varied possible outcomes for the Indian economic scene. The report observes that decisions taken this year are likely to influence development trends for the decade and that structural reforms and improved macroeconomic policy are difficult under the current political situation. It also points out that higher real interest rates would increase interest burden on commercial debt and that problems are liable to arise in case of breakdown of the Uruguay Round.

(c) The publication is based on a series of assumptions about the global economy and projects a wide variable impact on the Indian economy under different scenarios. The views are speculative and do not necessarily represent the opinion of the World Bank's Board of Directors. As such, (c) does not arise.

**PROBLEMS OF SMALL ENTREPRE-  
NEURS**

1416. SHRI RAMESH CHAND  
TOMAR :

SHRI VIRENDRA SINGH :

SHRI CHETAN P. S. CHAU-  
HAN :

SHRI BALRAJ PASSI : Will the Minister of FINANCE be pleased to state:

(a) whether the Small Industries Development Bank of India (SIDBI) has formed a working group to identify the problems faced by small entrepreneurs regarding loans and working capital;

(b) if so, the details thereof;

(c) whether the SIDBI propose to undertake a comprehensive industrial upgradation plan; and

(d) if so, the details of industries being included in the plan, state-wise?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI DAIBIR SINGH) (a) and (b) : The Small Industries Development Bank of India (SIDBI) has reported that it has initiated a process of setting up informal working groups at the State Level comprising representatives of Lead/Major Banks, State-Level Institutions, IDBI and RBI with SIDBI acting as the convener to ensure coordination between banks and State-Level Institutions on an ongoing basis. The group would discuss various issues of common concern such as the joint appraisal of projects, the sanction of term loans and working capital facilities by different agencies, the sharing of security and the rehabilitation of sick units. Such informal working groups have already been set up in Maharashtra, Gujarat, Rajasthan and Uttar Pradesh.

(c) With a view to modernising and technologically upgrading the small scale sector, SIDBI has identified 11 clusters of industries under its Technology Upgradation Programme for undertaking an intensive study of the State of existing technology and drawing up unit-specific programmes for technology and skill upgradation

(d) The identified clusters of industries, alongwith their locations, are indicated below :

1. (i) Lock Industry at Aligarh in Uttar Pradesh.
- (ii) Lock Industry at Dindigul in Tamil Nadu.
2. Textile Dyeing and Printing Industry at Pali, Baltora and Jodhpur in Rajasthan.
3. Diamond & Gem, Processing Industry at Surat in Gujarat, Trichy in Tamil Nadu and Jaipur in Rajasthan.
4. Match Industry at Sivakasi in Tamil Nadu.
5. Machine Tool Industry in Gujarat.
6. Leather and Leather Goods Industry at Agra in U.P.
7. Hand Tool Industry at Jalandhar in Punjab and Nagaur in Rajasthan.
8. Rubber based Industry in Kerala.
9. Marine Sea Food Products in Coastal States.
10. Fruit Processing Industry in Hilly Regions.
11. Bicycle/Bicycle parts industry at Ludhiana in Punjab.

#### FINANCIAL POSITION OF INDUSTRIAL UNITS

1417. SHRI VIRENDRA SINGH :

SHRI CHETAN P. S. CHAUHAN :

SHRI DATTATRAYA BANDARU : Will the Minister of FINANCE be pleased to state :

(a) whether the recent curbs imposed by the Reserve Bank of India and other public sector banks on credit availability to industrial units has adversely affected the liquidity position of industrial units;

(b) if so, the details thereof; and

(c) the steps proposed to be taken by the Government to make available adequate credit to industrial units?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) (a) The Reserve Bank of India (RBI) has reported that it has placed restrictions on credit drawls in order to moderate monetary and credit expansion. Such restrictions will generally lead to a tightening of the liquidity position in industry.

(b) Banks were advised by RBI in May, 1991 that, for borrowers with aggregate credits limits of over Rs. 1 crore, the effective drawing power for the period May 9—September 30, 1991 would be limited to either 100 per cent of the peak level of actual utilisation during the period May 9 to September 30 during the past three years or the cash credit limits as they stood on May 8, 1991, whichever is lower.

(c) the restrictions on credit drawls have been imposed as a short-term measure applicable only to large borrowers. It is expected to lead to greater efficiency in inventory management and better use of credit by borrowers, thereby also enhancing productivity of capital. Given the large overhang of liquidity and the need to restrain the expansion in demand, it has become imperative to moderate the pace of monetary and credit expansion. Existing credit policy is thereby a part of the overall economic policy of rectifying current macro-economic imbalances. As these imbalances deminish, credit availability to industry can be expected to improve.

#### LOANS ADVANCED BY NATIONAL HOUSING BANK

1418. SHRI SAJJAN KUMAR : Will the Minister of FINANCE be pleased to state :

(a) the amount of loans advanced by the National Housing Bank to various institutions/organisations/companies including Housing Development Finance Corporation during the last one year, month-wise, till date;

(b) whether the National Housing Bank has followed the procedure laid down by the Reserve Bank of India while advancing the above loans;